

Primary Health Care

ANNUAL REPORT For 2004



Health Care Authority Community Health Services Primary Health Care 2004 Annual Report

The Mission

The mission of the Health Care Authority's (HCA) Community Health Services (CHS) Primary Health Care Program is to promote access to prevention and illness care for underserved and uninsured low-income populations in Washington State.

To accomplish this mission, the CHS Primary Health Care Program:

- Provides over eleven million dollars annually for dental, medical, and migrant funding to thirty-four (34) not-for-profit community health clinics that operate over 130 delivery sites throughout the state. This money is targeted to help pay for services to people who are at or below 200% of the Federal Income Guidelines (FIG), sometimes referred to as federal poverty level, and have no other coverage such as Medicaid and/or Basic Health.
- Monitors and assures contractor (clinics) compliance with terms and conditions of their contract(s).
- Provides technical assistance, consultation, education and training for contracted clinics and potential new clinics.
- Collects, analyzes and distributes health related data supplied by the clinics.
- Fosters support and provides information regarding community clinic dental, medical and migrant services within other state agencies.

The Community Health Clinics

The community health clinics represent a network of not-for-profit agencies that provide an array of services to low-income and/or special populations with a focus on medical and/or dental care.

Some of the special populations targeted to receive clinic services include the following:

- Migrant seasonal farm workers
- Other minority populations
- People with HIV/AIDS infections
- People with developmental disabilities
- Substance abusers
- Mental health consumers

- Uninsured low-income
- ♦ Underserved low-income
- ♦ Homeless
- ♦ Elderly
- Refugees
- Geographically isolated

The following facts provide some background on the 34 community health clinics and/or systems in Washington State funded by the HCA for State Fiscal Year 05 (July 1, 2004 through June 30, 2005):

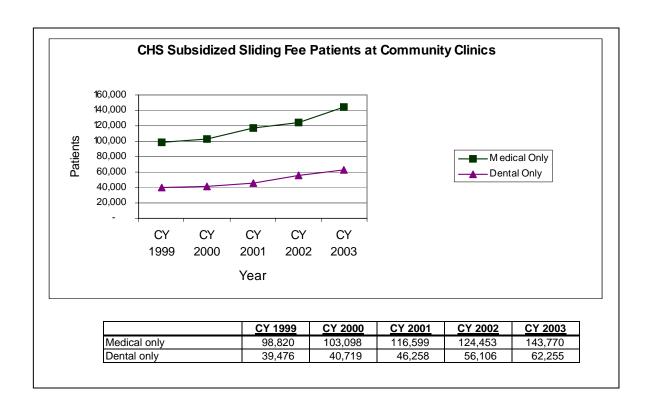
- A total of 434,312 medical clients and 174,371 dental clients received services at the community health clinics (based on CY 2003 data).
- Out of the total number of clients receiving services at the community health clinics, 87% of medical patients and 92% of dental patients had incomes at or below 200% of the federal income guidelines (FIG).

- Thirty-three percent (33%) of the medical client population (143,770) and thirty-six percent (36%) of the dental client population (62,255) with incomes at or below 200% of the FIG had no insurance coverage such as Medicaid, and/or Basic Health (BH). This is the primary population that CHS funds assist in paying for services.
- The largest non-English native language group to receive clinic services is the Hispanic population, which represents approximately thirty-seven percent (37.4%) of the total number of medical patients and thirty-two percent (32.1%) of dental patients served.
- The community health clinics are located in 27 of the 39 counties in Washington State with over 130 separate delivery sites that serve residents of all counties.
- The clinics are generally located in geographic areas where there is a shortage of health professionals. These geographic areas include inner cities, industrialized areas and rural regions.

Community health clinics not only function as providers of health care, they coordinate services with other state programs, such as:

- Basic Health
- ♦ WIC Program
- First/Second Steps
- Maternal and Child Health
- Medical Assistance Administration
- ♦ HIV/AIDS

- Rural Health
- Division of Alcohol and Substance Abuse
- Mental Health Division
- Division of Developmental Disabilities
- Commission on Hispanic Affairs

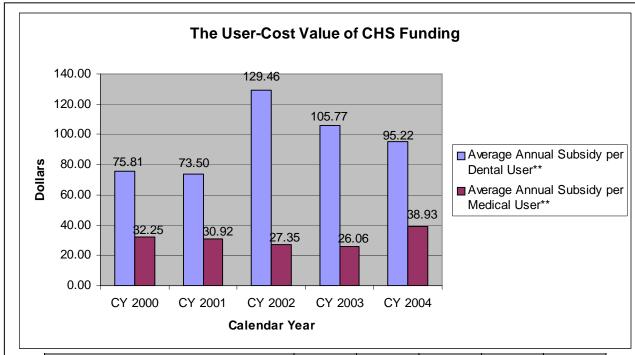


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The User Value of CHS Primary Health Care Funding

CHS funds provide a very tangible value to those patients seeking care at community health clinics that are at or below 200% of the Federal Income Guidelines and have no other coverage. During the current fiscal year (July 2004 through June 2005), CHS is providing approximately \$95 per dental user and \$39 per medical user to each of our contracting clinics. While this amount does not usually cover the entire cost of care, it allows the clinics to maximize other revenue sources to make up the cost difference.

The value to the state comes from providing funding that assists access to quality health care for low-income uninsured populations at a reasonable investment. While the total cost of health care is increasing, the portion the State pays for this population has actually decreased ((exception being dental in 2002(a) and medical in 2004(b)). Please see footnote as demonstrated in the following table:



	CY 2000	CY 2001	CY 2002	CY 2003	CY 2004
Dental			_	_	_
Total CHS Dental Funding*	2,992,645	2,992,645	5,988,375	5,934,257	5,927,910
Sliding Fee Dental Users	39,476	40,719	46,258	56,106	62,255
Average Annual Subsidy per Dental User**	75.81	73.50	129.46	105.77	95.22
Medical					
Total CHS Medical Funding***	3,187,293	3,187,293	3,188,876	3,243,811	5,597,653
Sliding Fee Medical Users	98,820	103,098	116,599	124,453	143,770
Average Annual Subsidy per Medical User**	32.25	30.92	27.35	26.06	38.93

^{*} Includes both General Dental and Migrant Dental

^{**} Note: decreased cost during level funding phases reflects increased cost value to state

^{***} Includes both General Medical and Migrant Medical

⁽a) In 2002, dental funding was increased by approximately \$3 million to provide enhanced reimbursement of services for approximately 6,800 additional patients.

⁽b) In 2004, medical funding was increased by approximately \$2.5 million to provide enhanced reimbursement of services and expansion of the number of uninsured low-income patients able to access the clinics.

Policies of Community Health Clinics

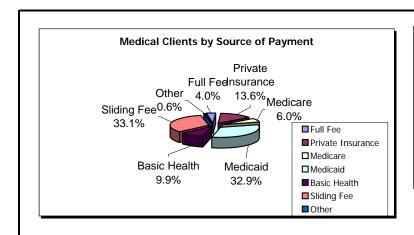
Community health clinics are different from other health care delivery systems. They receive state funding, which mandates them:

- Provide health care regardless of an individual's ability to pay;
- Have an established sliding fee schedule for the adjustment of charges, based upon an individual's ability to pay;
- Be governed by a board of directors, which has representatives of the client populations served;
- Have established policies and procedures reflecting sensitivity to cultural and linguistic differences of individuals served; and
- When appropriate, maintain bilingual or multilingual staff, which enables them to communicate with the individuals served.

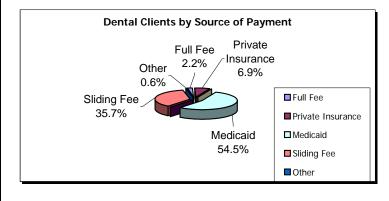
How Clients Pay

The majority of patients who utilize the clinics either are recipients of Medicaid (32.9% for medical and 54.5% for dental)) or qualify for a sliding fee schedule (33.1% for medical and 35.7% for dental) that adjusts charges for services received. These sliding fee clients must be at or below 200% of the Federal Income Guidelines and have no other insurance coverage such as Medicaid, Medicare, and/or Basic Health.

Percent of clients by source of payment is as follows:



Medical by Source of Payment			
Pay Source	# Clients	Percent	
Full Fee	17,395	4.0%	
Private Insurance	58,994	13.6%	
Medicare	25,862	6.0%	
Medicaid	142,950	32.9%	
Basic Health	42,828	9.9%	
Sliding Fee	143,770	33.1%	
Other	2,513	0.6%	
Total	434,312	100.0%	

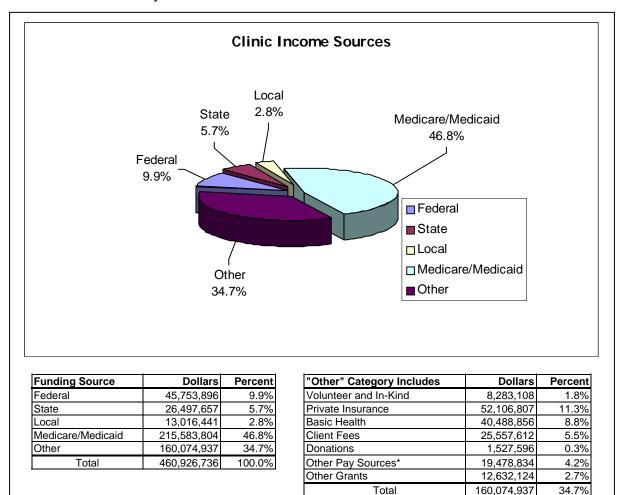


Dental by Source of Payment			
Pay Source	# Clients	Percent	
Full Fee	3,849	2.2%	
Private Insurance	12,086	6.9%	
Medicare	N/A	0%	
Medicaid	95,068	54.5%	
Basic Health	N/A	0%	
Sliding Fee	62,255	35.7%	
Other	1,113	0.6%	
Total	174,371	100.0%	

Funding the Clinics

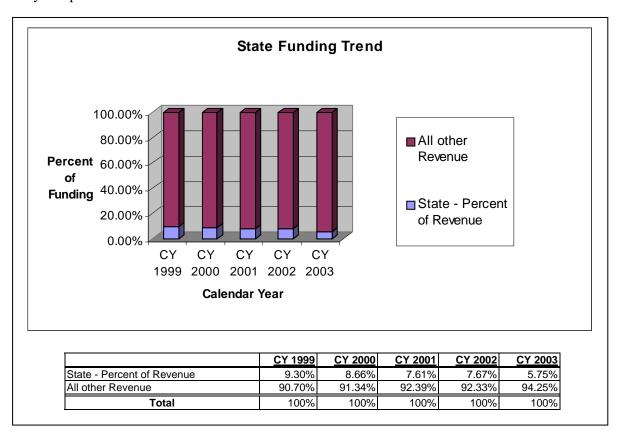
Community health clinics receive funding from multiple sources. The largest source of income comes from reimbursement for services that is paid by third-party payers such as Medicare, Medicaid and private insurance. The next largest source of income comes from funds received from federal, state and local governmental agencies. These government funds account for 18.4% of the total funding received by the clinics.

Percent of clinic income by source is as follows:



Funding awards from the HCA are targeted to the number of patients a community health clinic serves who are at or below 200% of the Federal Income Guidelines and have no other insurance coverage such as Basic Health and/or Medicaid.

The state portion of total revenue has, in general, declined over the past five years. This is because clinic revenue from most other sources increased during this period while total state funding remained relatively flat by comparison.



Scope of Service

Direct clinical services are provided by one or more of the following health professionals: physicians; physician assistants; advanced registered nurse practitioners; dentists and dental hygienists.

Some of the services provided, or arranged for, include:

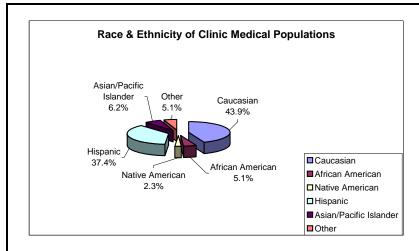
- Periodic Screening: Children, Adolescents, Adults
- Well Child Care
- ♦ Family Planning
- Prenatal/Postpartum Care
- Normal Obstetrical Deliveries
- High Risk Obstetrical Deliveries
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- Nutrition Assessments and Education
- Preventive, Restorative and Emergent Dental Care
- ◆ Acute/Episodic Medical Care
- Management of Chronic Medical Problems
- Emergency/After Hours Medical Services

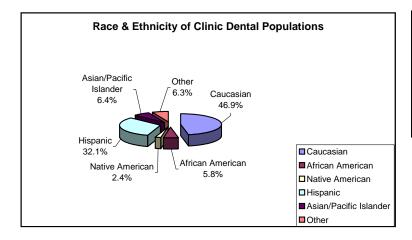
Clinics provide, or arrange for, 24-hour coverage.

Client Populations

While the number of CHS Primary Health Care clients has increased steadily in the five years ending in 2003, the racial and ethnic proportions have stayed relatively the same with two exceptions. These exceptions are a slight decrease in Hispanic and corresponding increase in Caucasian patients. The following two charts show the race and ethnicity of client populations for CY 2003.



Ethnicity	Number	Percent
Caucasian	190,655	43.9%
African America	22,095	5.1%
Native American	9,917	2.3%
Hispanic	162,495	37.4%
Asian/Pacific Isla	26,929	6.2%
Other	22,221	5.1%
Total	434,312	100.0%



<u>Ethnicity</u>	Number	Percent
Caucasian	81,849	46.9%
African America	10,027	5.8%
Native American	4,268	2.4%
Hispanic	56,059	32.1%
Asian/Pacific Isla	11,104	6.4%
Other	11,064	6.3%
Total	174 271	100.00/

Issues of Importance (As identified by representatives of community health clinics)

Availability of Health Professionals for Underserved Populations

The availability of health care professionals to the state's underserved populations remains an issue of importance to Washington's Community Health Clinics.

Dental Care

Access to preventive and restorative dental care is one of the most critical needs among low-income, uninsured and special populations in Washington State.

Lack of Transportation

For people who are home-bound, have limited access to transit systems, and for people living in rural Washington, the availability of transportation services is critical to gaining access to needed health care services.

Rural Health Care

Addressing the needs of rural health care systems will be necessary for continued access in rural areas.

Services to Homeless People

The problem of homelessness is increasing as affordable housing becomes more and more scarce. Homelessness is not limited to large urban areas such as Spokane, Everett, Tacoma and Seattle, but it is also a problem in rural areas and in smaller cities such as Mt. Vernon, Bellingham and Yakima.

Substance Abuse Prevention and Treatment

Substance abuse is a serious problem. Substance abuse not only affects the health and well-being of the abuser, but also the health and well-being of the abuser's family and friends.

Managed Care and Low-income Populations

Straining the resources of all the community clinics is balancing the financial model of managed care with the needs of special populations.

Translation

Finding funding and personnel to expand translation services is becoming increasingly difficult. During the past five years there has been a tremendous influx of new populations within the state who are both low-income and speak minimal English.

Mental Health

There is a tremendous increase in the demand, and lack of adequate funding, for mental health services at all the community clinics. These services include but are not limited to assessment, short-term treatment on site and referral to mental health providers outside the clinic for long-term care.

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CHS 2004

As of: July 1, 2004

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CHS 2004

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As of: July 1, 2004

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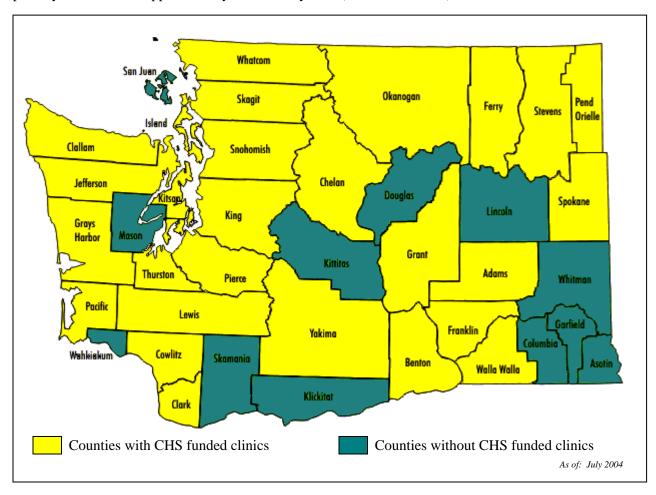
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Community Health Services - Primary Health Care Program Overview

Community Health Services (CHS), Primary Health Care (PHC), promotes access to health care for underserved and uninsured low-income populations in Washington State. It is one of four programs in the Washington State Health Care Authority and provides funding to community clinics to help pay for indigent care.

In 2004, CHS PHC is helping provide medical and dental care for 143,770 medical clients and 62,255 dental clients by funding 34 contractors (effective January 1, 2005 there will be 33 contractors) to provide primary health care at approximately 130 delivery sites (individual clinics) in 27 counties.



For a complete list of CHS supported delivery sites by county, or for other information about our program, please visit our web site at www.wa.gov/hca/chs.

You may also contact us at:

Health Care Authority Attention: Community Health Services PO Box 42721 Olympia, WA 98504-2721 (360) 923-2777